

# SENATE MOTION

**MADAM PRESIDENT:**

**I move** that Engrossed House Bill 1359 be amended to read as follows:

- 1           Page 1, line 2, after "SECTION 9," insert "AS AMENDED BY SEA
- 2           156-2008, SECTION 1,".
- 3           Page 2, line 10, after "IC 16-19-3-5" insert "or IC 16-41-2-1".
- 4           Page 5, between lines 17 and 18, begin a new paragraph and insert:
- 5           "SECTION 2. IC 5-10.3-5-5 IS AMENDED TO READ AS
- 6           FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 5. (a) The custodians
- 7           must be banks or trust companies that are domiciled in the United
- 8           States and approved by the ~~Indiana department of financial institutions~~
- 9           ~~under IC 28-1-2-39~~ **board to:**
- 10           (1) act in a fiduciary capacity; and
- 11           (2) manage custodial accounts;
- 12           **in Indiana: on behalf of the fund.**
- 13           (b) The board is authorized to accept safekeeping receipts for
- 14           securities held by the custodians. Each custodian must have a
- 15           combined capital and surplus of at least ten million dollars
- 16           (\$10,000,000) according to the last published report of condition for
- 17           the bank or trust company and have physical custody of such securities.
- 18           The state board of accounts is authorized to rely on safekeeping
- 19           receipts from the custodian. The custodian may be authorized by the
- 20           agreement to:
- 21           (1) hold securities and other investments in the name of the fund,
- 22           in the name of a nominee of the custodian, or in bearer form;
- 23           (2) collect and receive income, interest, proceeds of sale,
- 24           maturities, redemptions, and all other receipts from the securities
- 25           and other investments;
- 26           (3) deposit all the receipts collected and received under
- 27           subdivision (2) in a custodian account or checking account as
- 28           instructed by the board;
- 29           (4) reinvest the receipts collected and received under subdivision
- 30           (2) as directed by the board;
- 31           (5) maintain accounting records and prepare reports which are

required by the board and the state board of accounts; and  
 (6) perform other services for the board as are customary and  
 appropriate for custodians.

(c) The custodian is responsible for all securities held in the name  
 of its nominee for the fund.

SECTION 3. IC 5-10.4-3-13, AS ADDED BY P.L.2-2006,  
 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 JULY 1, 2008]: Sec. 13. (a) The board may enter into a custodial  
 agreement on terms the board considers in the best interest of the fund  
 with a bank or trust company that is domiciled in the United States and  
 approved by the ~~Indiana department of financial institutions under~~  
~~IC 28-1-2-39~~ **board to:**

- (1) act in a fiduciary capacity; and
- (2) manage custodial accounts;

~~in Indiana:~~ **on behalf of the fund.**

(b) The agreement described in subsection (a) may authorize the  
 custodian to:

- (1) hold the fund's securities and other investments in the name of  
 the fund or a nominee, or in bearer form;
- (2) collect the income and other receipts from the securities and  
 other investments and deposit them subject to the instructions of  
 the board or the board's representative;
- (3) reinvest the receipts on the direction of the board or the  
 board's representative;
- (4) maintain accounting records and prepare reports as may be  
 required for use by the fund and the state board of accounts; and
- (5) perform other services for the board that are appropriate and  
 customary for the custodian.

(c) The custodian is responsible for all securities held in the name  
 of its nominee for the fund."

Page 22, line 23, delete "database" and insert "**data base**".

Page 23, line 12, delete "database" and insert "**data base**".

Page 81, line 17, after "company;" insert "**or**".

Page 85, line 9, before "IC 28-8-4-22;" insert "IC 28-1-2-39;".

Renumber all SECTIONS consecutively.

(Reference is to EHB 1359 as printed February 19, 2008.)

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Senator PAUL